

Energy East Campaign Organization

Promote, Respond, Pressure

August 5, 2014

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Introduction

Our productive strategy session resulted in a strategic framework that requires a disciplined organizational approach. This document outlines our campaign approach to operationalize the strategy and integrate all our tactical activities along three tracks: Promote, Respond, and Pressure.

It is important to note that much of the Promote, Respond, Pressure components will be very familiar and are already in process. We have included them here to provide a comprehensive overview and context around our approach.

Campaign Organization Overview: Our Three-Track Approach

The most effective way to counter any external challenge is to ready a robust campaign that comprises proactive and reactive communication activities. Borrowing a page from the modern political playbook, we recommend a three-track approach to build the necessary campaign infrastructure. This approach strives to neutralize risk before it is leveled, respond directly to issues or attacks as they arise, and apply pressure—intelligently—on opponents, as appropriate.

Often when responding to a specific issue, project teams must pause from their duties to respond to allegations and protect the company. By following a Promote, Respond, Pressure approach, we can ensure that we are providing dedicated resources to real-time reactive as well as proactive communication strategies.

Evidenced by the approved Energy East strategy statement, it is critical to play offence, both to define the story ourselves and proactively manage issues. But if we place ourselves in a position where we are managing issues solely on a day-to-day basis, we may win the battle but lose the proverbial war. Therefore, we don't consider this a response program but, rather, a perpetual campaign to protect and enhance the value of the Energy East Pipeline and to help inoculate TransCanada from potential attacks in any arena.

In line with the campaign objectives, developing and executing this type of approach allows us to:

- Continually develop project equity while mitigating damage to it;
- Frame the discussion to help shape perception, gain trust and inspire active support; and
- Insulate against future attacks.

The three tracks in our approach are:

1. **Promote:** Actively promote the positive Energy East story to key audiences.
 - ***Don't abandon the positive message.*** While we are in the trenches and dealing with immediate issues, we cannot abandon the very necessary task of continuing to tell the Energy East Pipeline story and driving the messages that support its overall value proposition.

2. **Respond:** Anticipate and respond rapidly to unfavorable coverage, charges and negative attacks and capitalize on nimble opportunities.
 - ***Our willingness to defend ourselves is almost as important as success.*** Our shareholders and stakeholders, from the board to employees to affected communities across the country need to see us mount a visible defense in order to convince them of the dedicated nature and long-term benefit of our relationship.
3. **Pressure:** Work with third parties to pressure Energy East opponents.
 - ***Add layers of difficulty for our opponents, distracting them from their mission and causing them to redirect their resources.*** We cannot allow our opponents to have a free pass. They will use every piece of information they can find to attack TransCanada and this project—attacks are part of a larger, modern oppositional effort to silence those on the other side. To make an informed decision on this project, Canadians need to have a true picture of the motivations not only of the project proponents, but of its opponents as well. This point should particularly be made in communication to supportive third parties, who can in turn put the pressure on, especially when TransCanada can't.

We will conduct these work streams concurrently to ensure that no one path takes precedence.

CAMPAIGN MANAGEMENT TEAM Responsibilities

The campaign management team oversees all work to ensure the entire team stays focused on the campaign goal, strategy, objectives and their respective work streams. The campaign management team also manages the Integrated Campaign Calendar to ensure the program elements all align with the strategy set forth at the beginning of the campaign. The team also maintains an understanding of all established workflow processes and all changes should pass through them to ensure alignment and effective use of resources.

The campaign manager and coordinator participate in daily meetings with the internal TransCanada team to learn the state of play for the day in terms of messaging and other activities—typically based on the monitoring and insights delivered that morning—and shares with relevant team members in the broader Energy East Communications team.

PROMOTE Campaign Components

Message Framework: One of the campaign's most important steps involves developing a narrative that clearly tells the compelling Energy East Pipeline story and provides the opportunity for TransCanada to define the project on its own terms—especially focused on the main creative campaign framework (currently in testing phase) and the four agreed-upon campaign platforms of Safety; Environmental Stewardship; Economic Benefits & Jobs; and National (or Strategic) Interest. To do this, we will audit existing positive messaging and creative assets, and will meet with key members of the project team to develop an umbrella message and core messages about the pipeline, employees, benefits and the vision ahead. We will help craft core messages and factual “proof points” that concisely describe the company and

accurately convey TransCanada's values and positive contributions at the local and national level.

Storytelling: Following our "Stories and Content" philosophy, we will identify, interview and record employees and other stakeholders to craft stories for use in various mediums and as part of our storytelling efforts both online and offline.

Integrated Content Strategy: We will develop a content strategy that guides where and how we will tell the stories collected both online and offline. This will include:

- Our plan for various channels, considering our audiences on those channels;
- Our voice;
- The stories we tell;
- How we look;
- Detail on specific topics, such as our pillar messages; and
- Governance.

Rich, dynamic content could include the following, as appropriate:

- Videos: animated, white board, etc.;
- Infographics and single-stat graphics; and
- Interactive games and quizzes.

Materials Review and Development: Once we have formulated our key messages and supporting proof points, we will incorporate them into all key campaign documents (e.g., talking points, fact sheets, backgrounders, timelines, etc.) as well as online and traditional advertising to ensure consistency. We will review the current suite of communications materials and advertising and determine whether they must be refined or new materials and ads created.

Website Enhancement: Working with TransCanada's new website point person, we will also pursue bolstering the Energy East microsite so that it clearly conveys new campaign messages and relates a larger narrative about the company. We will conduct an SEO and technical analysis and provide recommendations on how the site might be improved so that it conveys stories in a dynamic and compelling way, answers questions, addresses concerns and delivers positive messages on related issues. We will identify the specific collateral and supporting materials that we might consider adding to the website, including:

- Overarching corporate messaging;
- Statistics and figures;
- Infographics, maps, charts and other visuals (e.g., videos, photos, etc.);
- Press materials;
- Stakeholder/influencer letters;
- Overview and details tied to corporate social responsibility activities, charitable contributions and other volunteer-related efforts by employees and the company; and
- A list of third parties available for comments and/or supporting third-party or media quotes.

Editorial Calendar: Develop a two-way editorial calendar based on:

- Our intent to promote our stories on a weighted basis each month. This means that each month we will strategically allocate a certain, pre-determined percentage of our time to one campaign platform. For example, in October, having just launched the campaign and the Open Houses upon us, we may choose to focus more heavily on economic

impact and jobs at 40 percent and split environmental stewardship, safety and national/strategic interest at 20 percent each. This will largely depend on which campaign theme we select after creative testing and research is complete.

- What our target media have in their media plans for each upcoming quarter. We will research the editorial calendars of key media and align our promotional efforts with them for long-lead opportunities especially.

Speakers Bureau: Identify opportunities for TransCanada spokespeople to present at reputable venues in key markets to target audiences. This could include associated media partnerships/sponsorships/advertising opportunities.

Community Investment: Identify opportunities to promote TransCanada's investments in communities.

Proactive Media Outreach: Media will prove a critical player in conveying our messages. We will build upon existing relationships and foster new ones with key local/national media by:

- Building a database of key journalists at a variety of local and national print, broadcast and online outlets;
- Developing and pitching fresh and timely storylines;
- Creating and distributing press materials as appropriate; and
- Initiating desk-side and roundtable briefings with reporters at targeted local and national publications. These briefings would allow us to proactively address areas of interest and frequent criticisms.

Social Media Strategy: Social media will be critical in allowing us to reach many of our key audiences directly—without the filter of the media—and to build positive sentiment through online channels. We will:

- Establish a strategic presence on key social networks, notably Twitter, LinkedIn and Google+;
- Develop and deploy a content strategy that enables us to publish evergreen and campaign-focused content through a variety of media, and to drive search engine visibility; and
- Amplify long-form content from the Energy East website to increase its reach with key audiences.

Digital Grassroots Advocacy Initiatives: It will be important to build a grassroots advocacy network to garner, educate and engage supporters to take action. This can be done effectively by:

- Building an action centre microsite for members of the public to learn more about the pipeline and how their support can help see it through to completion;
- Recruiting a sizable community of supporters in our key audiences and geographies (e.g., Conservative, Quebec, etc.);
- Developing and sending email communication to continue educating supporters and provide them with clear calls-to-action, as appropriate, to grow the campaign; and
- Updating the action centre microsite as the campaign develops, adapting the call-to-action and sharing stories that support the Energy East campaign and storylines.

Paid Media: Amplification of any promote efforts will be critical to expanding the people we reach with our stories. When positive earned coverage is published, we will amplify it using a

content amplification vendor. In addition, we will use Paid Media to effectively deploy our narrative in highly contextual and targeted spaces to inform or engage the audience.

RESPOND Campaign Components

Ongoing Online Conversation/Media Monitoring and Analysis: To ensure awareness of relevant traditional and online stories regarding Energy East and related issues, we will conduct ongoing monitoring and report data and insights. The monitoring reports will include high-level analysis, key headlines, outlets and influencers driving conversation, and relevant quotes. Additionally, we will provide specific recommendations, when appropriate, on opportunities for engagement with key stakeholders and influencers, on message adjustment and on content development.

Critical Events Calendar: We will work with the appropriate personnel in all key departments (legal, human resources, communications, government affairs, community relations, etc.) to create a timeline of critical events, both of positive value and potentially negative impact. This calendar will be updated weekly and will help guide strategic planning and timing priorities. The calendar will identify the events that require pre-emptive action or a planned response so that our communications initiatives align with the appropriate business objectives before they are executed.

Rapid Response: It proves vital to correct misinformation and rumors head-on. When monitoring identifies an immediate or looming threat, our rapid-response protocol will assess the issue while proactively anticipating and mitigating bad news whenever possible. We will work to establish the most effective set of protocols for rapid response in traditional and social media. See Issues Escalation Protocol under separate cover. A general outline is below.

- When we identify a potential issue, the rapid-response team will convene a conference call to:
 - Share all known facts;
 - Determine the credibility of the attack;
 - Assess the potential damage;
 - Decide if a response is warranted; and
 - Determine the initial response timeline.
- If a response is warranted, further discussion will inform the appropriate level of response, which could include:
 - Direct response to the charges;
 - Indirect response to the issue at-large;
 - Third-party response on behalf of the company; or
 - A combination of the above or slight alteration of one of the levels.
- Once a response approach is determined, we will:
 - Discuss need for additional support or information from experts or third-party allies (if available);
 - Identify and prepare spokesperson for response;
 - Send drafted message through predetermined approval process; and
 - Distribute approved language to appropriate spokespeople and external audiences.

Digital Reputation Management: Some elements we recommend to protect the project's online profile include:

- An online conversation audit to identify current perceptions of Energy East and online opponents;
- A review of domain and social media user names owned or reserved, in order to make recommendations for ways TransCanada can help protect the pipeline's profile online; and
- The identification of possible areas on web properties where "dark" content could be activated in response to issues that might arise, tied to our milestone calendar or other random flare-ups that require responses.

Community Management: Responding to external events goes beyond the rapid response team. Establishing a presence in social media channels means managing a daily dialogue with engaged audiences through these channels to increase energy literacy and drive positive sentiment. We will establish processes and workflows to ensure that this dialogue is productive, and that online conversations are handled smoothly and with maximum positive impact to the Energy East project's reputation.

Digital Grassroots Advocacy Initiatives: Utilizing our constantly growing database of supporters, we will share the truth about Energy East and call on advocates to correct misinformation and help amplify facts by spreading positive stories on their own. Recommended response tactics include:

- Updating the action centre microsite content to educate supporters and the general public on the facts about Energy East and directly address misinformation;
- Utilizing e-communications to correct the record on project details and engage our champion supporters in sharing the positive news from the Energy East campaign front; and
- Asking advocates to be vocal about support of the project by giving them a menu of online and offline engagement options.

Paid Media: We will counter misinformed, oppositional or threatening narratives with Paid Media in the form of Search (i.e., when people search for us, it is optimal to have our links surface to redirect traffic). Specifically, we can employ it in social media to counter negative tweets, etc. Furthermore, we can have an "Always On Display" with a contextual skew where someone reading about the pipeline (specific) or the energy sector (broad) would see our banners in and around the space.

PRESSURE Campaign Components

Detailed Background Research on Key Opposition Groups: We will prepare a research profile of key opposition groups by examining public records (including financial disclosures, legal databases and legislative records), traditional media sources (news databases such as Lexis-Nexis and Factiva) and social media (Facebook, Twitter and other relevant sites). All relevant findings will be compiled in a written, fully documented report, to include a summary of findings and an assessment of strengths and weaknesses. Areas of focus will include:

- Operating and financing structure
- Key locals and affiliated organizations

- History of other campaigns, including damage inflicted on targets
- Leadership
- Finances
- Membership and dues
- Lobbying
- Political giving
- Strikes
- Government contracts
- Corporate campaigns
- Consultants
- Ties to nonprofits and advocacy groups
- Litigation and legal Issues
- Crime and corruption
- Unfair labor practices
- Audits

We will begin with the Council of Canadians. Other possibilities include Equiterre, the David Suzuki Foundation, Avaaz and Ecology Ottawa.

Identification and Engagement of Potential Allies: While TransCanada projects an important voice and will be a large part of this program, we should not be the only ones telling our story. Third-party voices must also be identified, recruited and heard to build an echo chamber of aligned voices. We can work with the Community Relations team to develop a list of third-party experts and credible community voices with whom we can form strategic relationships and possibly enlist to author op-ed pieces, blog posts or letters to the editor. In coordination with Community Relations staff, we will identify and vet potential allies to determine their viability and level of interest. Then we will match messages to identified third-party allies and engage them. We can also leverage third parties for both Promote and Respond activities.

Influencer Outreach Strategy: An influencer outreach strategy engages third-party issue experts (including pro-energy groups, free-market think tanks, academics, former government officials and supportive pundits) to solicit their perspective on specific topics, extend a company's reach to nontraditional allies and develop a base of support to help defend the company during a crisis. This allows us to establish information-sharing relationships, through which we provide these experts with background briefings on project issues and insights into the company's position on various issues. It also lets us request their input on the opposition's strategy and possible tactics. From these meetings, we can adapt our strategy to anticipate opposition activity, extend TransCanada's sphere of influence and advocacy base and generate opinion media by the third-parties in support of Energy East. We can also leverage influencers for both Promote and Respond activities.

Campaign Structure

Attached is the proposed basic structure for the campaign. Each member of the team will still wear his or her functional hat (e.g., PR, digital), but each is also on a P/R/P team. The teams will be supplemented with senior counsel as well as additional support as needed. TransCanada is evolving its structure to better align with this; however, it is not structured this way yet.